

To: **Substance Abuse and Laboratory Provider Network**  
From: **Scott Daubert, PhD, VP Provider Network & Account Mgmt**  
Date: **12/1/14**  
Subject: **PC-16 Lab Charges during Substance Abuse Treatment**

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## **Claims Payment and Clinical Policy Clarification**

### **Question/Issue:**

Can laboratory services be billed separately to PerformCare during Substance Abuse Methadone Maintenance services; Substance Abuse Partial, IOP and Outpatient services; and/or Substance Abuse Hospital and Non-Hospital Detoxification and Residential Services?

### **Source Documentation / References:**

55 Pa. Code § 1223 Outpatient Drug & Alcohol Clinic Services

OMHSAS Policy Clarification 01-14-01: Payment for Diagnostic Laboratory Services in Outpatient Drug & Alcohol Clinics

Clarification Memo dated April 30, 2014 from DPW Deputy Secretary, Dennis Marion

### **PerformCare Answer/Response:**

Regarding payment of laboratory services in Methadone Maintenance clinics, 55 Pa. Code Chapter 1223 and the OMHSAS Policy Clarification 01-14-01 clearly state that most separate laboratory service billing is disallowed in the HealthChoices program. Specifically, *“the clinic visit fee includes payment for diagnostic laboratory tests used and/or to monitor a consumer's use of illegal drugs, improper use of legal drugs, or use of alcohol in both the HealthChoices and Fee-For-Service Programs and cannot be billed as a separate service.”* This paragraph does not apply to documented, medically necessary tests for pregnancy and medical conditions such as hepatitis, anemia and AIDS.

Regarding payment of laboratory service in other outpatient drug & alcohol clinic services that are not licensed Methadone Maintenance clinics, the letter from Deputy Secretary Marion noted that *“the purpose of the clarification was to remind providers of the Medicaid payment regulation in regard to Narcotic Treatment Programs and was not focused on all outpatient treatment programs.”* Therefore, separate laboratory services billing to PerformCare can appropriately originate in licensed Outpatient Drug & Alcohol Clinics. Specifically, laboratory and diagnostic studies and procedures must be medically necessary and for the purpose of determining response to

behavioral health medication and/or treatment that is ordered by Behavioral Health Service Providers acting within the scope of their license.

Regarding payment of laboratory services in Inpatient D&A Detoxification and Rehabilitation services, and in Non-Hospital Residential, Detoxification, and Rehabilitation services, separate laboratory service billing is disallowed to PerformCare. However, the reason for the disallowance is different. PerformCare pays what is considered an all-inclusive per diem payment to these facilities, and the unbundling of laboratory or other charges is not permitted unless specifically allowed for in the facility contract.

cc: PerformCare Managers  
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